

Message Text

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ORIGIN XMB-04

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CEA-01 CIAE-00 COME-00 FRB-03 INR-07 IO-11 NEA-10

NSAE-00 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

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FM SECSTATE WASHDC

TO AMEMBASSY TOKYO

USMISSION OECD PARIS

C O N F I D E N T I A L STATE 012049

E.O. 11652: GDS

TAGS: EFIN, ETRD, OECD

SUBJECT: JAPAN'S POSITION ON OECD INFORMATION EXCHANGE ON EXPORT CREDITS

REF: OECD PARIS 27888

AT OCTOBER 22-24 MEETING OECD EXPORT CREDITS GROUP (ECG)
UNITED STATES OBTAINED INFORMAL AGREEMENT FROM ALL ECG MEMBERS,
EXCEPT AUSTRALIA, FRANCE, AND JAPAN, TO EXCHANGE INFORMATION
ON INTEREST RATES AND OTHER FINANCING COSTS OF OFFICIALLY-SUPPORTED
EXPORT CREDITS ON TRIAL BASIS. MOST GROUP MEMBERS, EXCEPT JAPAN,
SUBSEQUENTLY REPLIED TO OECD QUESTIONNAIRE ON FEASIBILITY
OF PROVIDING SUCH INFORMATION. AT ECG EXPERTS' MEETING DECEMBER
16, ALL MEMBERS, INCLUDING FRANCE, MADE PROGRESS
IN REMOVING REAMINING TECHNICAL PROBLEMS WITH VIEW TO
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DRAFTING A FORMAL PROPOSAL AT SECOND EXPERTS' MEETING ON 10

FEBRUARY FOR APPROVAL AT EXCEPTIONAL ECG MEETING ON MARCH 2.
GOJ DELEGATION AT DECEMBER 16 MEETING WAS UNINSTRUCTED.

IN CABLE TO EXIMBANK SENIOR VICE PRESIDENT STEPHAN
MINIKES, FOLLOWING UP ON EARLIER TELEPHONE CONVERSATION WITH
TSUKUA, NORIHIKO MAEDA, DIRECTOR, EXPORT INSURANCE DIVISION,
MITI, INDICATED GOJ NOT OPPOSED IN PRINCIPLE TO PROVIDING INFORMATION
ON FINANCING COSTS, BUT IS UNABLE TO DO SO IN PRACTICE BECAUSE
OF TECHNICAL PROBLEMS. THESE TECHNICAL PROBLEMS ARE NO DIFFERENT,
HOWEVER, THAN PROBLEMS FOUND IN CANADA, GERMANY, AND THE UNITED
STATES, AMONG OTHERS, WHERE EXPORT CREDITS INVOLVE BLENDING
OFFICIAL AND PRIVATE FINANCING. ALL THAT IS REQUIRED OF PARTICIPANTS
IN THE INFORMATION EXCHANGE IS A BEST ESTIMATE OF THE FINANCING
COST WHICH EVERYONE ELSE IN A SIMILAR SITUATION IS ABLE AND WILLING
TO PROVIDE. AS A MINIMUM, GOJ SHOULD PARTICIPATE IN
SYSTEM ON BEST-EFFORTS BASIS AND BE PREPARED TO DISCUSS
TECHNICAL PROBLEMS AT ECG EXPERTS' MEETING ON
10 FEBRUARY.

THE UNFORTHCOMING GOJ POSITION IS DELAYING PROGRESS ON
AGREEMENT TO EXCHANGE INFORMATION ON FINANCING COSTS. GOJ
POSITION IS INCONSISTENT WITH OBLIGATION AS A MATURE ECONOMY
AND SPIRIT OF THE RAMBOUILLET SUMMIT. EMBASSY SHOULD, AT EARLIEST
OPPORTUNITY, BRING U.S. VIEWS TO THE ATTENTION OF APPROPRIATE
OFFICIALS IN THE FOREIGN MINISTRY, MINISTRY OF FINANCE, MITI,
AND THE EXPORT-IMPORT BANK.

IMPORTANCE OF MAKING PROGRESS IN THIS AREA AS FIRST STEP IN EFFORT
TO REDUCE EXPORT CREDIT COMPETITION SHOULD BE EMPHASIZED.

IF EMBASSY THINKS ADVISABLE, TEAM COULD BE SENT FROM
WASHINGTON TO FURTHER EXPLAIN U.S. POSITION AND WORK WITH JAPANESE
IN RESOLVING TECHNICAL PROBLEMS PREVENTING GOJ AGREEMENT. KISSINGER

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